91-07004/

MANITOBA*pork*

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BOARD MEMBERS

Weldon Newton, Neepawa ..... Chairman
Ken Foster, Arborg ..... Vice Chairman
Brian Cramer, Carman ..... Executive Committee
Bill Vaags, Dugald ..... International Trade and Market Development

Gorden Ferriss, Bowsman
Doug Head, Treherne
Don McEwan, Altamont
Ben Wipf, Headingley

ADMINISTRATION

Larry Sedgwick, P.Ag. ..... General Manager
René Chabidon ..... Assistant Manager
Aden Fulford ..... Accountant
Anne Brown ..... Secretary

CHAIRMAN'S LETTER

It is one year since the Board of Directors of MANITOBA PORK gave me the responsibility of being Chairman of your organization. I have been very pleased with the commitment and dedication that has been shown by the Directors and Delegates to work together and establish a suitable environment in which our industry can continue to operate.

For several years we have spent considerable time and energy in attempting to resolve trade problems with the United States. It now appears that we are finally making some progress in resolving these issues in a more satisfactory manner. However, American producers are unlikely to cease their efforts to prevent us from competing in the North American market.

We are starting to see some benefits from our efforts to bring an end to our own interprovincial trade problems. It now appears that preliminary results indicate that all provinces will have met their commitments in 1990, to reducing subsidy programs under the Red Meats Subsidy Capping Plan. This is the important first step in allowing production patterns to reflect market and production advantages instead of the capacity of provincial treasuries.

We have seen a net loss of 500 producers in Manitoba in 1990 and a decrease in production of 7.3%. Production was also down in all other provinces.

In looking ahead, our Manitoba Government must address some issues that are essential if a competitive hog industry is to continue as part of agriculture in Manitoba.

We are now paying municipal and local school taxes on our barns for the first time. We must be assured that because of our large investments in facilities we do not bear a disproportionate share of the tax burden. The methodology used in the assessment process must treat us equitably with other segments of agriculture.

Provincial land use policies must continue to allow well managed livestock units to operate without fear of harassment from rural development projects such as recreation complexes and residential subdivisions.

Currently, grain safety net programs are being developed. These programs and our grain transportation policies must allow us access to feed grains at prices which reflect world market prices. The livestock industry is a large consumer of feed grains and its purchases do not need government credit guarantees.

Last year we signed our first supply contract with the processing industry. This agreement with Olympia Meats secured adequate slaughter capacity for Manitoba and brought a company committed to the export market as a participant in our industry.

We will continue to see the rationalization of the processing industry in Canada. We must be prepared to forge new relationships with processors and work with them to build a competitive industry. However, if the current players are unable or unwilling to participate in a competitive industry, they should not be surprised if producers continue to look for companies who will value our production. Equally as important, producers must be fair in their expectations of the processing industry. They also have alternative sources of supply.

Finally, special recognition to the staff of Manitoba Pork. Their everyday efforts enable our organization to continue to serve the needs of your industry.

Sincerely,

Weldon Newton

1990 MANITOBA PORK DIRECTORS AND DISTRICT DELEGATES

DON McEWAN, ALTAMONT — DIRECTOR

District 1

Delegates
Dave Day, Deloraine
Glen Wallcraft, La Riviere
Gordon McDonald, Manitou
Clifford McCallum, Boissevain
David E. Rolfe, Elgin
Don Graham, Altamont

DOUG HEAD, TREHERNE — DIRECTOR

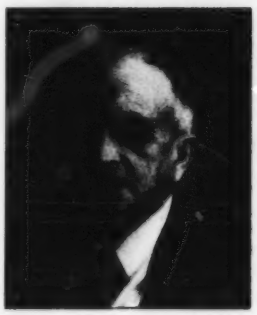
District 2

Delegates
Harry Plett, Wawanesa
Tom Baron, Carberry
Gerry Friesen, Wawanesa
Larry Fisher, Carberry
Ray Timmerman, Treherne
John Guthrie, Reston

WELDON NEWTON, NEEPAWA — DIRECTOR

District 3

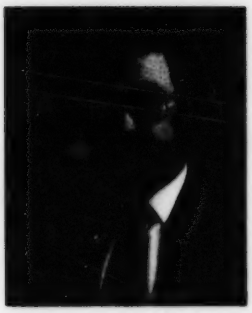
Delegates
Garry Tolton, Newdale
Duncan Broadfoot, Gladstone
Andy Cardy, Minnedosa
Jim Farquhar, Birtle
James L. Young, Miniota



GORDEN FERRISS, BOWSMAN — DIRECTOR

District 4

Delegates
Ian Shaw, Swan River
Terry Highmoor, Bowsman
Acey Brinkman, Grandview
George Geisel, Ochre River
Ron Bernardin, Laurier



BRIAN CRAMER, CARMAN — DIRECTOR

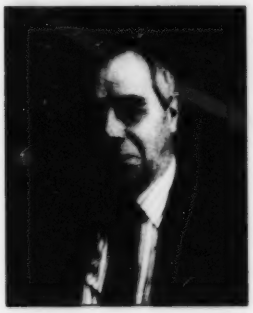
District 5

Delegates
Lloyd Stoesz, Altona
Auke Bergsma, Carman
Charles Fossay, Starbuck
Menno Isaac, Plum Coulee
Bruce Mazinke, Morris
James Peters, Winkler
Ralph Piche, Fannystelle
Dave Waldner, Morris

KEN FOSTER, ARBORG — DIRECTOR

District 6

Delegates
Les Jacobson, Arborg
Bob Harcus, Stonewall
Hans Kjear, Stonewall
John Nickel, Eriksdale
Edwin Ryden, Eriksdale



BILL VAAGS, DUGALD — DIRECTOR

District 7

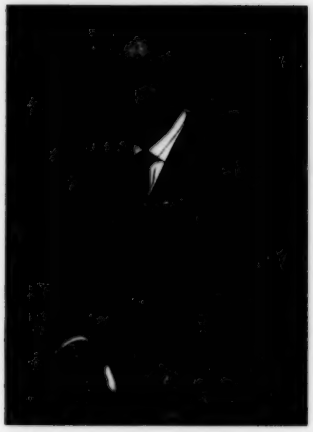
Delegates
Kai Winther, Dufresne
Peter Dyck, Arnaud
Vern Kionke, Dugald
Ron Rempel, Ste. Anne
Frank Thiessen, Steinbach
Joe Van Schepdael, East Selkirk
Ron Plett, Landmark
Leonard Esau, Steinbach

BEN WIPF, MAXWELL COLONY — DIRECTOR

District 8

Delegates
Jake Hofer, Valley View Colony
Johnathon Gross, Homewood Colony
Ben Hofer, Greenwald Colony
Josh Hofer Jr., Starlite Colony
Sam Hofer, Woodland Colony
Edwin Kleinsasser, Sunnyside Colony
Henry Maendel, Hidden Valley Colony
Mike Waldner, Cool Spring Colony

MANAGER'S REMARKS



The Twenty-Sixth Annual Report and Financial Statements, including trends in the pork industry, for the year ending December 31, 1990 is presented here for information to the membership and those interested in the Board's activities.

This report contains financial, statistical and operations reports and Board of Directors and office personnel profiles. In this way we hope to continue to build upon, and improve, the close association between the people who are responsible for administering the Board's policy and operations and the members at large.

During the past year, the pork industry faced many challenging, and sometimes frustrating, situations. Producer and local concerns continued to be of utmost priority to the Board. National and international issues were monitored and addressed, with action being undertaken when warranted by our membership.

It is my pleasure to welcome Weldon Newton of Neepawa, Director for District 3, as the fifth Chairman of Manitoba Pork Est. Mr. Newton assumed the Chairman's duties in April following the retirement of former Chairman Bill Vaags. In his new capacity as Director in Charge of International Trade and Market Development, Bill continues to serve an important sector of Manitoba's pork industry. Bill's leadership and guidance during his tenure as Chairman was greatly appreciated by the Board's staff and Management.

PRODUCTION AND PRICES: We can report that for 1990 the Manitoba market experienced a significant strengthening of the pooled price. The year's average price of $156.04/100 kgs, was up $26.71 from 1989's figure of $129.33/100 kgs. This translates into a 20.7 percent price increase. A wide range of prices occurred during the year with a daily low of $123.21 on January 11 to a high of $190.40 on June 11. However, the downside of the production story showed that total hog marketings and the number of active production units both declined in 1990. Manitoba market hog production in 1990 totalled 1,725,579 head, a decrease of 7.3 percent from 1989's total of 1,865,611. The number of active production units in 1990 totalled 2,335, a loss of 506 units from 1989's total of 2,841 and a reduction of 780 units in the past two years.

Live hog exports to the U.S. increased to 119,867 (Board and non-Board exports) head during the year. The increase was brought about primarily due to the weakness of the eastern markets in relation to the stronger U.S. market.

PACKING INDUSTRY: The profile of the red meats processing industry in Manitoba continues to change. During the year under review, East West Packers, a long time beef and pork plant, ceased operation; Burns closed their Brandon beef plant; Springhill Farms underwent a significant change in operations and Custom Abattoir became a single species (hog) plant, operated by Jack Forgan Meats. A new player emerged on the Manitoba scene, with Olympia Meats of Montreal concluding a three year contractual hog purchase from Manitoba Pork and a custom slaughter contract with Springhill Farms.

The livestock slaughter plant industry in Manitoba is now virtually all hog driven, with kill capacity to handle all of Manitoba's current production as well as some residual marketings from Saskatchewan.

1991 is once again a year of labor contract re-negotiations. We can only hope that new contracts will be concluded without disruption in operations.

Early in the year the Board faced a challenge to the integrity of its Dutch Clock Auction system from the buyers in Manitoba. This resulted in a Board proposal to open its sales policies and procedures to audit. This was authorized and carried out under the direction of the Minister of Agriculture. The audit report refuted the allegations and our sales system was found to require only a small number of minor modifications.

PRODUCT QUALITY AND IMPROVEMENT: Manitoba producers continue to demonstrate their leadership and management ability in producing top quality hogs. In 1990 the Manitoba average index increased to 105.7, the highest in Canada, and a new milestone achievement. 1990 was the last year that hogs were graded on the old grading grid that was implemented March 31, 1986. As of December 31, 1990, all hogs in Manitoba are settled on a new grading settlement table which better reflects the current needs of both the packing industry and consumers.

EXPORT TRADE: Canadian dressed pork exports for 1990 totalled 231,741,000 kgs, down 2.4 percent from 1989. Pork imports of 12,352,000 kgs to December 30, 1990 were up 16.9 percent from 1989. Exports to Japan were down 29.6 percent in 1990; while exports to the U.S. were down 4.0 percent, partly a reflection of the present countervail duty situation.

MARKET DEVELOPMENT: New export market ground was broken with the sale of approximately 145,000 carcasses to Russia. These were supplied from five provinces, with the sale being arranged by the Agricultural Stabilization Board. The Manitoba contribution towards filling this order was about 20,000 hogs. The sale was concluded at a very opportune time in early 1990, when the Canadian hog market was depressed and new export markets were badly needed.

A research project started in late 1990 is assessing the technology and market potential for the export of 'fresh chilled pork'. This work is being funded by the Western Diversification Office and the four Western Hog Boards, with the project coordinated in Manitoba. This new method of handling pork offers great opportunities for greater export volume, particularly in the Japanese market.

PORK PROMOTION: Pork promotion and advertising continues as a vital part of the Board's business operations. In 1990 funding for Canada Pork and local programs totalled in excess of $608,000, or about 35 cents per hog produced in the province. A three year Strategic Plan for Canada Pork calls for an increase in funding from 25 cents per head to 28 cents, starting in 1992. If a T.V. advertising campaign was to be implemented, then a further 10 cents per hog levy would be required for financing. Manitoba Pork

delegates and Directors will be assessing the Strategic Plan and financing requirements for future promotion programs over the course of 1991.

MEMBER RELATIONS AND SERVICES: The Board's Committee structure has served to deal with a number of key and ongoing issues and projects throughout the year. Most active were your Packer Liaison Committee; the Environmental, Taxation and Farm Practices Committee; the Facilities and Insurance Committee; Feed Users Committee and Research, Production and Animal Care Committee. In addition, the Marketing Committee and Executive is involved in various ongoing negotiations and lobbying efforts.

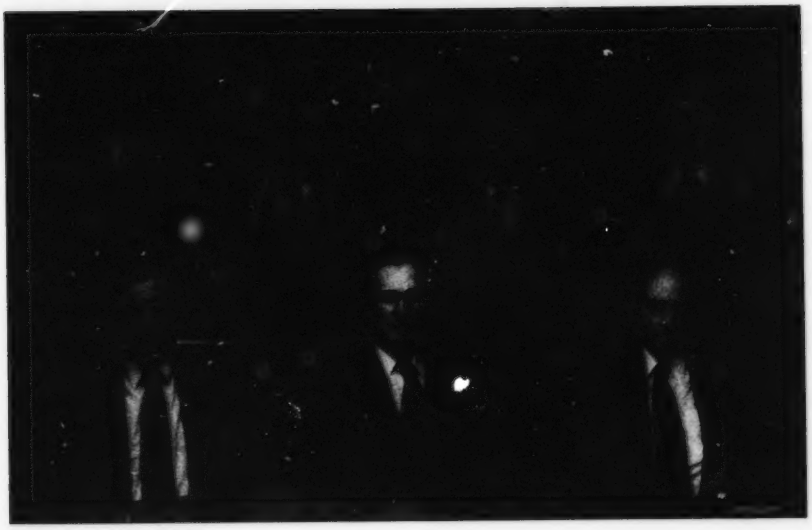
"TOP 20" CONGRATULATIONS: The Board again honored producers with its "TOP 20" competition. The overall winner, and winner of the 1001 - 4000 hog category, was Roland D. Penner of Steinbach, with an average index of 109.6239. Parkview Colony of Riding Mountain placed second in the province and won the 4001+ category with an average index of 109.4625. Clifford and Jean McCallum of Boissevain were the winners of the 200 - 1000 Hog Category, and 6th in the province overall, with an average index of 109.1123.

BOARD FINANCES: The audited financial statements in this report reflect Manitoba Pork's business affairs for the 12 month period ending December 31, 1990. The gross value of hog sales totalled $227.9 million, up $23.2 million from 1989. Revenues of $2.968 million produced an operating surplus for the year of $555,245, after expenditures for administration, selling and depreciation of $2.405 million. Extra-ordinary expenses incurred in 1990 included a bad debt expense of $27,615 and an expenditure of approximately $75,000 towards the Board's 25th Anniversary Special Projects.

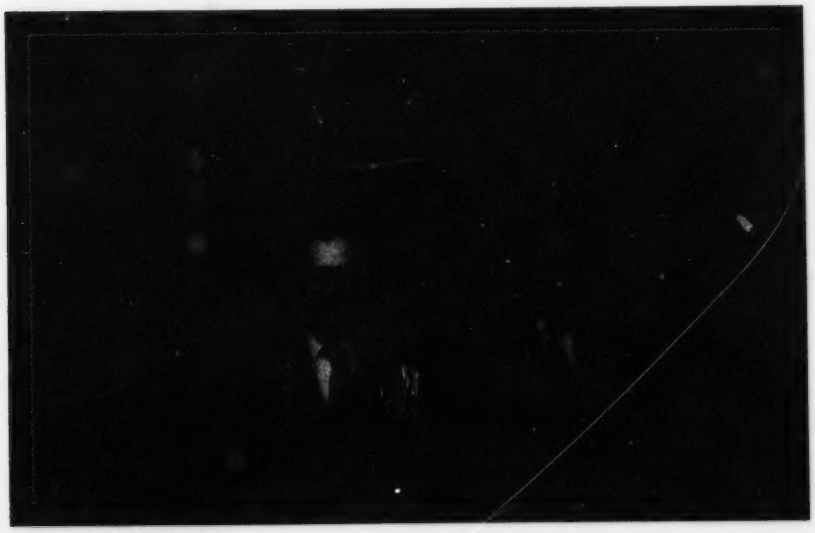
In conclusion, I want to express my gratitude and appreciation for the support and guidance of the Board of Directors and to the entire Board staff for their dedicated efforts towards making this organization one of which all its members can be justly proud.

Larry Sedgwick

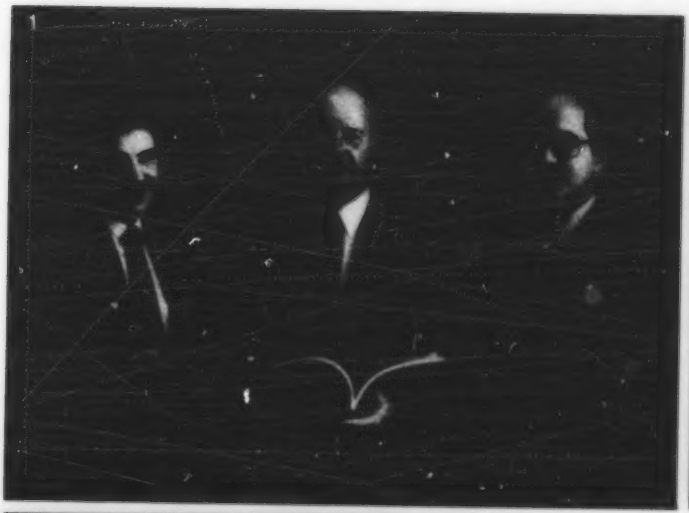
1990 BOARD OF DIRECTORS

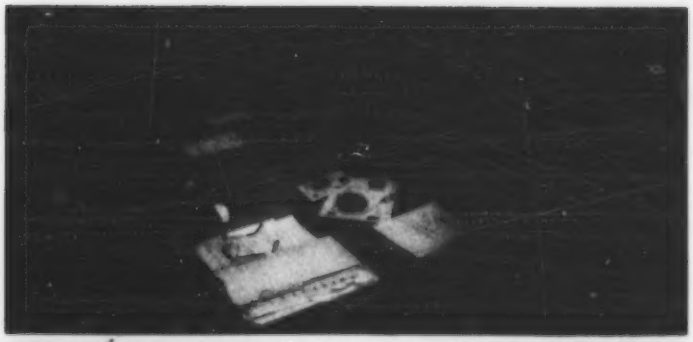


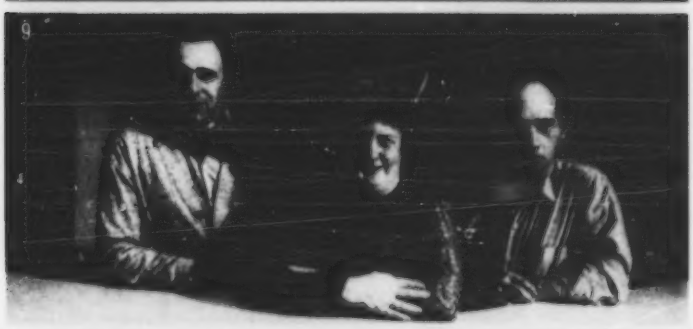
BOARD OF DIRECTORS:
Seated: (l to r) Brian Cramer, Weldon Newton, Gorden Ferriss
Standing: (l to r) Don McEwan, Bill Vaags, Ken Foster, Doug Head



EXECUTIVE COMMITTEE:
Seated: (l to r) Weldon Newton (Chairman); Ken Foster (Vice Chairman)
Standing (l to r) Brian Cramer (Executive Member); Larry Sedgwick (General Manager)







MANITOBA PORK STAFF

1 MANAGEMENT (l to r)
René Chabidon, Assistant Manager
Larry Sedgwick, General Manager
Aden Fulford, Accountant

2 ADMINISTRATIVE ASSISTANTS (l to r)
Seated: Irene Gaudreau, Anne Brown
Standing: Sandra Lewkiw

3 RECEPTION
Verda Andrew

4 SALES (l to r)
Bill Oakley, Research Economist
Perry Mohr, Sales Manager
Maryanne Buchko, Sales Assistant

5 SETTLEMENT DEPARTMENT (l to r)
Irene Gaudreau, Mary Mahood, Audrey Szustygesto, Cecile Lafreniere

6 ACCOUNTING DEPARTMENT (l to r)
Joyce Bruneau, Aden Fulford, Gwen Zimmer, Jess Lazo

7 PROMOTIONS DEPARTMENT (l to r)
René Chabidon, Marlene McDonald, Ruth Dyker
Absent: Myra Emms

8 WINNIPEG YARD (l to r)
George Haywood, George Willis, Chris Haywood, Linda Ginter, Luc Tetreault, Wallace Wright, Glen Richardson, Rick McCulloch (Yard Superintendent)
Absent: Mitch Gauthier

9 BRANDON YARD (l to r)
Chris Aeichele, Jacqueline Pierce, Gordon Turner

10 Bert Neufeld and the "Pork Pro-Motor"

MANITOBA*pork*

MANITOBA PORK DISTRICT BOUNDARIES MAP

• Indicates District zones

1 — Southern
2 — West-Central
3 — North-Central
4 — North-West
5 — Central Plains
6 — Interlake
7 — Red River East
8 — Not geographically defined (see note page 13)

MANITOBA PORK HOG DISTRICT PROFILE — 1990

MANITOBA PORK DISTRICTS	NUMBER OF ACTIVE PRODUCTION UNITS		TOTAL MARKETINGS	
	1990	1989	1990	1989
#1 — Southern	405	503	165,879	181,958
#2 — West-Central	211	306	62,520	90,856
#3 — North-Central	226	293	52,953	65,610
#4 — North-West	243	303	50,444	66,802
#5 — Central Plains	458	538	181,706	215,302
#6 — Interlake	180	212	78,780	93,643
#7 — Red River East	526	599	492,935	528,389
#8 — Hutterite Colonies*	86	87	602,839	634,311
TOTAL	2,335	2,841	1,688,056**	1,876,871**

*District 8 is not defined by boundaries but encompasses all Hutterite Colonies in the Province that are duly registered as hog producers.

**Includes only Board sales by registered hog producers in each of the eight Manitoba Pork Districts.

MANITOBA PORK HOG MARKETINGS BY SALES RANGE — 1990

SALES RANGE	DISTRICT 1		DISTRICT 2		DISTRICT 3		DISTRICT 4		DISTRICT 5		DISTRICT 6		DISTRICT 7		DISTRICT 8		PROVINCE	
	NO. UNITS	% HOGS	NO. UNITS	% HOGS	NO. UNITS	% HOGS	NO. UNITS	% HOGS	NO. UNITS	% HOGS	NO. UNITS	% HOGS	NO. UNITS	% HOGS	NO. UNITS	% HOGS	NO. UNITS	% HOGS
1 - 100	175	3.4	107	5.1	134	7.2	152	8.5	175	2.9	75	2.9	151	1.0	—	—	969	1.8
101 - 200	47	4.5	26	5.9	31	8.6	25	7.1	58	4.7	20	3.5	30	.9	1	—	238	2.1
201 - 500	84	16.8	43	22.4	27	17.3	32	21.0	100	19.1	32	13.3	62	4.4	1	.1	381	7.6
501 - 1000	54	24.4	21	23.7	21	30.6	22	29.3	65	34.5	23	20.6	98	15.2	—	—	324	14.2
1001 - 2000	31	25.7	10	22.0	12	32.1	11	26.9	31	22.8	23	38.4	124	36.2	1	.2	243	20.0
2001 - 5000	13	21.4	3	12.6	1	4.4	1	7.1	8	12.1	7	21.2	52	30.5	15	9.8	100	17.6
5001 - 10000	1	3.8	1	8.3	—	—	—	—	1	4.0	—	—	8	9.4	57	69.3	68	28.6
10001 & Over	—	—	—	—	—	—	—	—	—	—	—	—	1	2.5	11	20.6	12	8.1

Comments: The total number of Manitoba production units is down for the fourth consecutive year. The total of 2,335 units is down just over 500 units from the 1989 total. While total units in all of the sales ranges have decreased, the total production share attributed to units producing 500 hogs or more has continued to increase. A significant number of the units marketing from 1 to 100 head of swine are made up of weanling production units whose sales consist primarily of bull sows and/or boars.

TABLE 1

MANITOBA PRICE AND SALES SUMMARY — 1990

MONTH	AVERAGE PRICE (F.O.B. WINNIPEG) 100 INDEX HOGS METRIC	100 INDEX HOGS IMPERIAL	NO. 1 SOWS (D.W.) METRIC	NO. 1 SOWS (D.W.) IMPERIAL	GROSS SALES HOGS SOWS BOARS
JANUARY	126.10	57.19	110.53	50.13	145,477
FEBRUARY	140.12	63.55	114.00	51.71	145,710
*MARCH	142.40	64.59	121.52	55.12	178,489
APRIL	148.53	67.37	125.65	56.99	133,681
MAY	173.12	78.52	149.34	67.74	123,249
*JUNE	183.96	83.44	154.64	70.14	165,164
JULY	179.30	81.33	138.74	62.93	132,350
AUGUST	170.89	77.51	140.47	63.71	131,855
*SEPTEMBER	156.42	70.95	126.18	57.23	172,999
OCTOBER	163.83	74.31	132.71	60.19	134,168
NOVEMBER	148.94	67.55	119.72	54.30	136,737
*DECEMBER	143.90	65.27	107.57	48.79	146,143
1990	156.04	70.77	128.64	58.35	1,746,020
1989	129.33	58.66	100.04	45.37	1,925,142
5 YR. AVG.	152.66**	69.24**	113.01	51.26	
10 YR. AVG.	153.67**	69.70**	116.71	52.94	

*Denotes 5 Week Month.
**Denotes Weighted Average
Comments: Board sales for 1990 were off 9.3 percent from 1989, ending eight years of consecutive increases. Manitoba prices, however, rebounded by gaining $26.71 per 100 kg or $12.11 per cwt.

TABLE 2

MANITOBA PORK — MARKETINGS BY QUARTER — 1990

	JAN.-MAR. 1st QUARTER	APR.-JUNE 2nd QUARTER	JULY-SEPT. 3rd QUARTER	OCT.-DEC. 4th QUARTER	TOTAL 1990
HOGS	462,563	414,881	430,773	410,673	1,718,890
SOWS	4,854	4,872	4,399	4,394	18,519
BOARS	1,662	1,837	1,450	1,403	6,352
TOTAL (90)	469,079	421,590	436,622	416,470	1,743,761
TOTAL (89)	491,587	472,646	486,121	472,591	1,922,945
% CHANGE (90/89)	-4.6	-10.9	-10.2	-11.9	-9.4

Comments: Quarterly Manitoba marketings for the period under review reflected decreases ranging from -4.6 to -11.9 and resulted in an overall reduction of -9.3 percent for the year. Sow numbers reflected a drop of 46.9 percent, while boar marketings were off by 24.0 percent.

TABLE 3

MANITOBA PRODUCTION SUMMARY — 1990

	BOARD SALES	NON-BOARD EXPORTS	OUT OF PROVINCE IMPORTS	NET MANITOBA PRODUCTION
HOGS	1,718,012	59,765	52,198	1,725,579
SOWS	18,616	13,599		32,215
BOARS	9,078	2,058		11,136
TOTAL	1,745,706	75,422	52,198	1,768,930
WEANLINGS		138,487		Change 90/89 -7.3%

Comments: Net Manitoba production for 1990 is realized by adding the non-Board export figure and subtracting the out-of-province imports. The result therefore is a net Manitoba production figure of 1,768,930 head of swine, which reflects a decrease of -7.3 percent from that of 1989.

TABLE 4

INSPECTED HOG SLAUGHTER CANADA AND UNITED STATES* — 1990

PROVINCE OF ORIGIN	FEDERAL AND PROVINCIAL SLAUGHTER VOLUME		CHANGE 90/89
	1990	1989	
BRITISH COLUMBIA	496,203	591,984	-16.2
ALBERTA	1,896,856	1,605,550	-18.1
SASKATCHEWAN	744,064	1,006,057	-26.0
MANITOBA	1,874,785	1,898,187	-1.2
TOTAL WEST	5,011,908	5,101,778	-1.8
ONTARIO	3,948,977	4,147,889	-4.8
QUEBEC	4,684,935	5,064,551	-7.5
MARITIMES	539,729	584,743	-7.7
TOTAL EAST	9,173,641	9,797,183	-6.4
TOTAL CANADA	14,185,549	14,898,961	-4.8
TOTAL UNITED STATES	82,610,147	86,953,625	-5.0

*Source: Agriculture Canada

Comments: As a reflection of decreases in production, total inspected hog slaughter decreased 4.8 percent in Canada and 5.0 percent in the U.S. The loss of only 1.2 percent in Manitoba is offset by the loss of 26.0 percent in Saskatchewan, which is a result of large numbers of Saskatchewan hogs slaughtered at Manitoba plants.

TABLE 5

CANADIAN FRESH AND FROZEN PORK EXPORTS — 1990

EXPORTED TO	000 KGS		CHANGE
	1990	1989	90 89
UNITED STATES	174,596	181,854	-4.0
JAPAN	21,979	31,203	-29.6
OTHER COUNTRIES	35,167	24,377	+44.3
TOTAL	231,741	237,434	-2.4

*Source: Agriculture Canada (Preliminary)
Comments: An overall loss of 2.4 percent in total exports for 1990 continues to reflect the effects of the U.S. dressed pork countervail initiated in 1989. An increase of 44.3 percent in exports to other countries indicates the strong potential that exists for exporters who are willing to diversify.

TABLE 6

FRESH AND FROZEN PORK IMPORTS — DRESSED MEATS — 1990

IMPORTED FROM	000 KGS		CHANGE
	1990	1989	90 89
UNITED STATES	8,342	7,660	+8.9
OTHER COUNTRIES	4,010	2,908	+37.9
TOTAL	12,352	10,568	+16.9

*Source: Agriculture Canada (Week ending December 22, 1990)
Comments: Increases in imports from other countries, as well as a continuing 3-year increase trend for imports from the U.S., has resulted in a 16.9 percent increase in overall pork imports.

TABLE 7

HOG CARCASS INDEXING REVIEW — 1990

INDEXES	PERCENTAGES	
	MANITOBA	CANADA
114-112	10.8	6.7
111-109	19.4	14.4
108-106	32.1	30.6
105-103	15.0	17.3
102-100	13.4	16.6
99-97	4.9	7.0
96-94	2.2	3.2
93-91	.9	1.4
90-83	1.0	1.6
82	.3	.6
81	.3	.5
1990-103 and OVER	77.3	69.0
1989-103 and OVER	70.9	65.3

Comments: The percentage of Manitoba production which indexed 103 or better increased by 6.4 percent for 1990. The national percentage increased by 4.7 percent.

TABLE 8

MANITOBA HOG CARCASS WEIGHT DISTRIBUTION

RANGE (KGS)	1990		1989	
	NO. HOGS	% CARCASSES	NO. HOGS	% CARCASSES
UNDER 60	2,721	.17	6,247	.34
60-64.9	13,126	.80	23,812	1.31
65-69.9	80,288	4.87	118,463	6.50
70-74.9	304,459	18.47	377,569	20.73
75-79.9	557,378	33.81	614,498	33.73
80-84.9	442,583	26.85	443,161	24.33
85-89.9	178,692	10.84	170,024	9.33
90-94.9	51,015	3.09	48,926	2.69
95-99.9	13,021	.79	13,086	.72
100 UP	5,054	.31	5,946	.33

Comments: Decreases in the lighter weight categories under 74.9 kgs, as well as increases in the 75 kgs and higher weight ranges, are seen as a prelude to the major grading changes being affected for the 1991 production year.

TABLE 9

PER CAPITA CONSUMPTION OF MEAT IN CANADA, 1980-1990

(kilograms)	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990*
Beef[1]	39.5	40.6	40.4	40.0	38.3	38.7	39.1	38.1	38.3	37.6	37.3
Pork[1]	31.3	30.1	27.8	28.6	27.8	28.4	27.6	27.9	29.3	29.3	29.4
Veal[1]	1.4	1.5	1.6	1.6	1.8	1.8	1.8	1.6	1.5	1.7	1.8
Mutton & Lamb[1]	0.8	0.7	0.7	0.8	0.8	0.7	0.9	1.0	0.8	0.7	0.8
Offal	1.8	1.3	1.2	1.4	1.4	1.6	1.7	1.5	0.9	1.0	1.1
Chicken & Fowl[2]	18.4	18.3	18.6	18.8	19.7	21.0	21.4	21.7	24.1	22.1	22.3
Turkey[2]	4.2	4.1	3.9	4.0	3.9	3.9	4.1	4.3	4.5	4.5	4.6

[1]Carcass weight. [2]Eviscerated weight. Source: Statistics Canada.
*Projected estimates.

TABLE 10

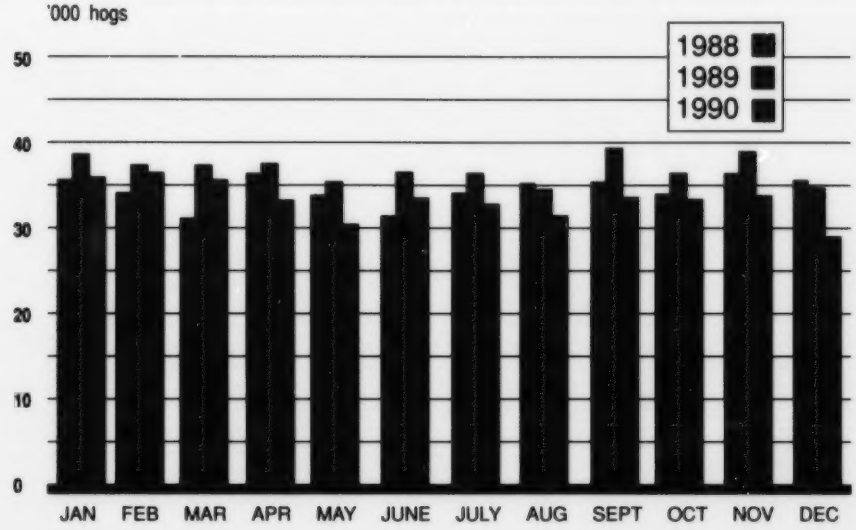
MONTHLY REVIEW: AVERAGE WEIGHTS & INDEXES 1990

MONTH	AVERAGE MANITOBA INDEX*	AVERAGE CARCASS WEIGHT (KGS)
JANUARY	105.6	79.6
FEBRUARY	105.7	79.3
MARCH	105.9	79.0
APRIL	106.0	78.4
MAY	106.1	78.4
JUNE	105.7	78.3
JULY	105.3	78.1
AUGUST	105.2	78.1
SEPTEMBER	105.5	78.7
OCTOBER	105.7	79.2
NOVEMBER	105.7	79.4
DECEMBER	105.7	79.2
AVERAGE FOR 12 MONTH PERIOD 1990	105.7	78.8
AVERAGE FOR 12 MONTH PERIOD 1989	105.0	78.1

*Average Index Excludes Ridglings and Lights

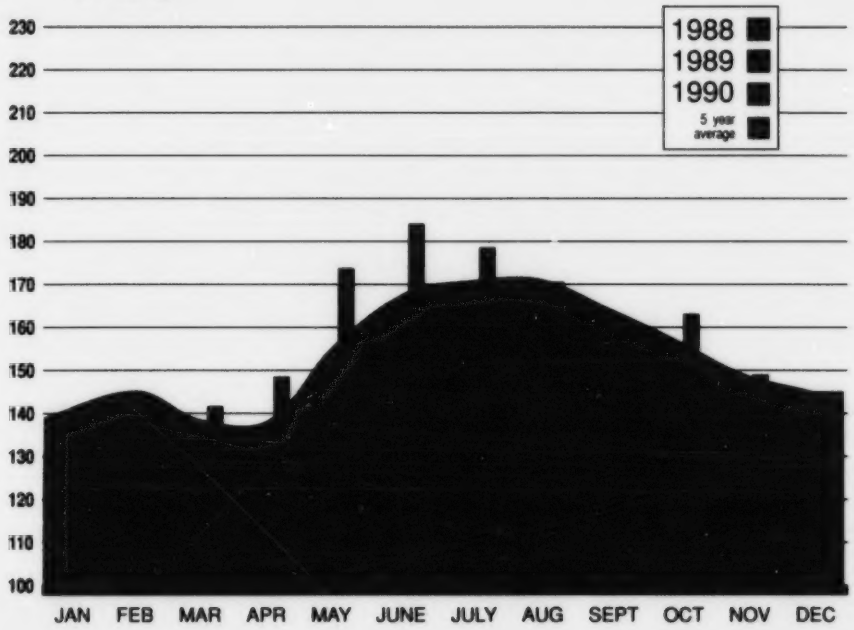
AVERAGE WEEKLY MANITOBA MARKETINGS

'000 hogs



AVERAGE MONTHLY HOG PRICES

F.O.B. - WINNIPEG
$ / 100 kg



MANITOBA*pork*

1990 TOP 20 PROVINCIAL WINNERS

CONGRATULATIONS TO	ADDRESS	AVG. WT. INDEX	TYPE OF OPERATION
	Winner 1987-1989		
1. **Roland D. Penner**	Steinbach	109.6239	Farrow to Finish
	Winner 1984 -		
2. **Parkview Colony**	Riding Mountain	109.4625	Farrow to Finish
3. • **Sommerfeld Colony**	High Bluff	109.4249	Farrow to Finish
4. • **Wellwood Colony**	Dunrea	109.3991	Farrow to Finish
5. **Ron Froese**	Grunthal	109.3910	Feeder: Weanlings from Elite Feeders, Otterbourne
	Winner 200-1000		
6. **Clifford and Jean McCallum**	Boissevain	109.1123	Farrow to Finish
7. • **Greenwald Colony**	Beausejour	109.0713	Farrow to Finish
8. • **Jake Peters**	Wawanesa	109.0386	Farrow to Finish
9. • **Ray Timmerman**	Treherne	108.9528	Farrow to Finish: Supplemented by Weanlings from Robert J. Graham, Holland and Holmfield Colony, Killarney
10. * **Cool Spring Colony**	Minnedosa	108.9521	Farrow to Finish
11. **Starlite Colony**	Starbuck	108.9413	Farrow to Finish
12. * **Herman Reimer**	Beausejour	108.9225	Farrow to Finish
13. * **Rodney Wall**	Lowe Farm	108.9169	Feeder: Weanlings from Various Suppliers
14. **Ken Wallace**	Beausejour	108.7057	Farrow to Finish
15. • **Allen Barkman**	Birnie	108.6636	Feeder: Weanlings from George Friesen, Riding Mountain
16. **Ernie Janzen**	Altona	108.6603	Farrow to Finish
17. * **Rock Rose Dairy**	Kleefeld	108.6003	Feeder: Weanlings from Regal Feeds
18. **Linden Wohlgemuth**	Riding Mountain	108.5140	Feeder: Weanlings from Dean Wohlgemuth, Riding Mountain
19. * **Brian and Evelyn Watt**	Morris	108.5086	Feeder: Weanlings from Farrow Lane Farms, Aubigny
20. * **Abe Penner**	Mather	108.4965	Feeder: Weanlings from Shady Lane Colony, Treherne

* New to Provincial Top 20
• 5 or more years in Provincial Top 20

MANITOBA*pork*

1990 TOP 20 DISTRICT WINNERS

DISTRICT 1		ADDRESS	AVERAGE INDEX
1.	*** Clifford & Jean McCallum	Boissevain	109.1123
2.	Abe Penner	Mather	108.4965
3.	* David E. Rolfe	Elgin	108.3282
4.	Bernard Van Den Bosch	Swan Lake	108.1161
5.	George Devloo	Swan Lake	108.0919
6.	Fotheringham Farms	Reston	108.0386
7.	* Russell J. Boulton	Reston	108.0112
8.	Diane C. Cousin-Devos	Bruxelles	107.9737
9.	* Elsie & Dale Boyd	Killarney	107.8653
10.	Mathew Smith	Treherne	107.7915
11.	John W. Sparrow	Fairfax	107.7655
12.	* Neufeld Agri Products	Boissevain	107.6763
13.	Richard Cousin	Swan Lake	107.4743
14.	* Robert C. Smith	Killarney	107.4563
15.	Daniel A. Sierens	Swan Lake	107.3059
16.	Hubert/Bruno Labossiere	St. Leon	107.2504
17.	** Henry Comte	Notre Dame	107.1422
18.	* Dave Tiessen	Crystal City	107.0409
19.	** Edward Grift	Swan Lake	107.0196
20.	Robert & Teresa Wiebe	Killarney	106.9250

DISTRICT 2			
1.	** Jake Peters	Wawanesa	109.0386
2.	** Ray Timmerman	Treherne	108.9528
3.	** John K. Guthrie	Reston	108.4001
4.	Peter Harder	MacGregor	108.2596
5.	Trevor Hillis	Brandon	107.9930
6.	Larry Fisher	Carberry	107.8766
7.	Ronald B. Drysdale	Brookdale	107.7638
8.	** J.P. Wiebe & Sons	MacGregor	107.5829
9.	Danny DeRuyck	Swan Lake	107.5141
10.	Stone Valley Farms	Cromer	107.3999
11.	William M. Doerksen	MacGregor	107.2190
12.	Amroy Farms Ltd.	Carberry	106.9904
13.	Brian Robt. Prince	MacGregor	106.9456
14.	William Barkley	Virden	106.6222
15.	Ronald Fisher	Carberry	106.5814
16.	Dennis A. Hanrieder	Holland	106.5094
17.	John Hofer	Sidney	106.3587
18.	Murray Turner	Carberry	106.3099
19.	John & Pat Hipwell	Virden	106.3067
20.	Harry Plett	Wawanesa	106.2846

New to District Top 20
Five or More Years in District Top 20 Ten or More Years in District Top 20
Fifteen or More Years in District Top 20

DISTRICT 3		ADDRESS	AVERAGE INDEX
1.	• Allen Barkman	Birnie	108.6636
2.	• Linden Wohlgemuth	Riding Mountain	108.5140
3.	• James L. Young	Arrow River	108.0715
4.	• Murray James Rempel	Birnie	108.0505
5.	• Ross Mathison	Decker	108.0418
6.	Weldon M. Fehr	Gladstone	107.9741
7.	Harry F. Friesen	Birnie	107.8088
8.	• Glen Wohlgemuth	Plumas	107.5743
9.	Leslie W. Davie	Neepawa	107.5117
10.	William L. McArthur	Solsgirth	107.3580
11.	•• J.A. McDonald & Sons	Strathclair	107.2469
12.	• Ken A. Farquhar	Birtle	107.1791
13.	• Alfred Isaac	Arden	106.9472
14.	• Greg Isaac	Arden	106.9423
15.	• Garry Alan Tolton	Newdale	106.8353
16.	••• James D. Farquhar	Birtle	106.7828
17.	Richard Lemoing	Minnedosa	106.7708
18.	• Louis Barkman	Birnie	106.7084
19.	Ken & Anne Wardle	Arden	106.6836
20.	Bob Isaac	Birnie	106.6689

DISTRICT 4			
1.	••• Burtondale Farms	Swan River	108.1451
2.	Ronald W. Medwid	Swan River	107.8374
3.	• Jack Klekta	Bowsman	107.5311
4.	•• Acey Brinkman	Grandview	107.0729
5.	•• Darrel Wohlgemuth	Roblin	106.9421
6.	Wayne L. Reimer	Birch River	106.8821
7.	•• Hans Immerkar	Swan River	106.6787
8.	•• Leon F. Wohlgemuth	Durban	106.4219
9.	Raymond B. Kroeker	Birch River	106.3958
10.	• Ronald Bernardin	Laurier	106.0957
11.	Myron Penner	Swan River	105.9098
12.	N & R Hopfner	Ste. Rose	105.9012
13.	•• Highmoor Bros. Ltd.	Bowsman	105.6934
14.	• Edwin Wiebe	Roblin	104.9698
15.	•• Michael McIntosh	Bowsman	104.8828
16.	• Bernie Thiessen	Bowsman	104.8298
17.	Lionel W. Henderson	Minitonas	104.7371
18.	•• Ardenglen Ent. Ltd.	Swan River	104.6684
19.	Murray C. Stoughton	Gilbert Plains	104.5943
20.	James Colbert	Swan River	104.5580

New to District Top 20

• Five or More Years in District Top 20 • Ten or More Years in District Top 20

••• Fifteen or More Years in District Top 20

DISTRICT 5			ADDRESS	AVERAGE INDEX
1.	˙	Rodney Wall	Lowe Farm	108.9169
2.		Ernie Janzen	Altona	108.6603
3.		Brian & Evelyn Watt	Morris	108.5086
4.	•	Henry S. Penner	Stephenfield	108.4426
5.	•	Kleen Lean Hog Farms	Morris	108.3906
6.		Dewit Hog Farm Inc.	Carman	108.2681
7.	•	Larry Gluck	Lowe Farm	108.1471
8.		Cornelius Hiebert	Morris	108.0845
9.		Mazinke Farms Ltd.	Morris	107.9346
10.		Art Poppe	Carman	107.9191
11.		Noel Sarrasin Farms Ltd.	St. Joseph	107.8855
12.	˙	Irvin B. Toews	Altona	107.8839
13.		Wilbert Friesen	Morris	107.8535
14.	˙	Arthur G. Bergen	Altona	107.8135
15.	˙	Udo Penner	Morris	107.7993
16.	•	Donald & Angela DeKoninck	Winkler	107.7356
17.		Richard J. Giesbrecht	Lowe Farm	107.5737
18.		Dennis Braun	Altona	107.5585
19.		J. Michael Dueck	Rosenort	107.5545
20.	˙	Abe Funk	Morden	107.5462

DISTRICT 6				
1.		Harold Loewen	Fisher Branch	107.9484
2.	•	Keith and Clayton Campbell	Teulon	107.7483
3.	•	Calvern Farms Ltd.	Argyle	107.3367
4.	•	D.M. Suwala	Stonewall	107.2361
5.		Taylor Agro Ltd.	Marquette	107.1567
6.		Blue Diamond Farm Ltd.	Headingley	107.0966
7.	••	Leo Gudmundson	Arborg	107.0574
8.	••	Melvin Barkman	Riverton	106.9968
9.	•	Newlife Feeds Hogland	Winnipeg	106.8399
10.		Red River Hog Farm	Gunton	106.7408
11.		Walter J. Stewart	Argyle	106.6779
12.	˙	Cornelius H. Friesen	Fisher Branch	106.6318
13.	˙	Jake Barkman, Jr.	Riverton	106.5083
14.	•	Edwin Ryden	Eriksdale	106.4720
15.		Gerard Saunders	Eriksdale	106.3885
16.	•	Firman Brothers	Arborg	106.3773
17.	••	Reimer's Farm	Fisher Branch	106.2221
18.	•	Baldock Reaburn Ltd.	Marquette	106.1336
19.	••	Mulligan Hog Farms	Rosser	106.1273
20.		William & Linda Meads	Moosehorn	106.0704

˙ New to District Top 20
• Five or More Years in District Top 20 •• Ten or More Years in District Top 20

DISTRICT 7		ADDRESS	AVERAGE INDEX
1.	• Roland D. Penner	Steinbach	109.6239
2.	• Ron Froese	Grunthal	109.3910
3.	Herman Reimer	Beausejour	108.9225
4.	Ken Wallace	Beausejour	108.7057
5.	' Rock Rose Dairy	Kleefeld	108.6003
6.	' Rempel Co-Acres	Ste. Anne	108.3474
7.	Henry Harder	Kleefeld	108.2915
8.	Peter & Nettie Klippenstein	Tourond	108.2697
9.	' Leonard P. Dueck	Janow	108.2556
10.	Green Valley Hog Farm	Grunthal	108.2226
11.	Howard & Carolyn Plett	Blumenort	108.2172
12.	Peter F. Dueck	Steinbach	108.2069
13.	Peter S. Toews	Grunthal	108.1933
14.	• H.B. Reimer	Steinbach	108.1704
15.	K.S. Farms Ltd.	Petersfield	107.9830
16.	Ritchot Swine Breeders	Niverville	107.9707
17.	' Malcolm R. Hunter	Grunthal	107.9499
18.	'• John Loewen Farms Ltd.	Steinbach	107.9483
19.	' Jake H. Harms	Steinbach	107.9462
20.	J & E Friesen	Arnaud	107.8651

DISTRICT 8			
1.	Parkview Colony	Riding Mountain	109.4625
2.	•• Sommerfeld Colony	High Bluff	109.4249
3.	••• Wellwood Colony	Dunrea	109.3991
4.	••• Greenwald Colony	Beausejour	109.0713
5.	Cool Spring Colony	Minnedosa	108.9521
6.	• Starlite Colony	Starbuck	108.9413
7.	• Whiteshell Colony	River Hills	108.4510
8.	' New Haven (N.) Colony	Argyle	108.4361
9.	Springfield Colony	Anola	108.4227
10.	Aspenheim Colony	Bagot	108.3474
11.	Ridgeland Colony	Dugald	108.3078
12.	• Fairholme Colony	Portage la Prairie	108.3044
13.	• Willow Creek Colony	Cartwright	108.2437
14.	• Treesbank Colony	Wawanesa	108.1034
15.	Shady Lane Colony	Treherne	108.0564
16.	•• Hillside Colony	Justice	108.0452
17.	Souris River Colony	Souris	108.0429
18.	' Poplar Point Colony	Poplar Point	108.0406
19.	Huron Colony	Elie	108.0070
20.	• Milltown Colony	Elie	107.9772

' New to District Top 20
• Five or More Years in District Top 20 •• Ten or More Years in District Top 20
••• Fifteen or More Years in District Top 20

MANITOBApork

CANADA PORK REPORT 1990

PORK PROMOTION 1990

A major task of both Canada Pork and provincial promotion staffs across the country this year was the development of a 3-year Strategic Plan. This plan will help Canada Pork and provincial staff work together in a very focussed manner. A new retail meat specialist with both Ontario and Canada Pork will also be an important addition to our national/provincial programming.

The overall objective of Canada Pork is to improve consumer perceptions about pork by showing that pork is a delicious, lean meat. This is accomplished through five major programs — advertising, consumer education, retail merchandising, foodservice and professional communications.

ADVERTISING

The foundation of Canada Pork communications is advertising. In 1990, a new tag line "Lighten Your Fork With Pork" was featured in the summer BBQ advertising, continued with a lean and light message in the fall and concluded with a light and airy presentation of the Crown Roast prior to Christmas.

CONSUMER EDUCATION

The second area of direct contact with the consumer is through education. A new microwave brochure, a slide presentation "Myths About Pork" and two new pork posters, were developed to assist with public education.

RETAIL MERCHANDISING

The third area of consumer contact was at the retail store level, with point of purchase materials. Four different recipe card series were distributed from May to October to the top 835 stores in the country. Prior to Christmas, the Crown Roast promotion was in full swing with in-store posters and rail cards and distribution of free frills and recipes.

Within the retail area, education of the meat department is a key priority to improve cutting and merchandising methods for pork to reflect the lean message promoted to consumers. A new Merchandising Training Video and Manual was developed and will be the focus of Meat Seminars for retailers throughout 1991.

FOOD SERVICE GROWTH

Food service continues to be an important target. Research conducted early in the year suggested more opportunity with a change of focus. Advertising, with a light, lean message, targeted family style restaurants.

In response to industry requests for more education about pork and more merchandising ideas, the trade newsletter "Today's Pork Reporter" was launched. Feedback from initial mailings has been very positive.

The successful Culinary Scholarship continued and generated even more goodwill among the chefs' industry, as well as excellent press coverage for pork.

A major objective of foodservice trade activity is to get fresh pork on more menus in modern, light presentations. Promotions with major chains and institutions, such as Canadian Airlines, The Bay and Sears, continued. In early 1991, Canada Pork will have its first national promotion with The Keg, following a successful western promotion in November and December.

COMMUNICATIONS WITH PROFESSIONALS

During 1990, Canada Pork started a national press release program and sent six stories about pork to hundreds of newspapers and food writers across the country.

The newest target of communication efforts is the health professional, especially doctors, as they influence consumer perception about pork. A direct mail communication was sent to over 10,000 doctors in November. In addition, Canada Pork attended health professional conferences by either exhibiting or sponsoring several of these events. This program will be expanded in 1991.

Canada Pork works closely with processors to encourage and support new product development. Several new pork food service items include Souvlaki, Fajitas and Rib Eye Steaks.

FUTURE DIRECTIONS

These promotion efforts are working to maintain and build consumer demand and therefore, consumption of fresh Canadian pork. The plans for 1991 will continue many of the programs started in late 1990. Efforts will be evaluated by consumer research, program response rates and staff analysis.

MANITOBApork

MANITOBA PORK PROMOTIONS REPORT 1990

Manitoba Pork dovetailed the local promotions program, with that of Canada Pork's national program, to maximize the impact to targeted areas. The emphasis was centered on the areas of retail and foodservice campaigns, however, Manitoba promotions staff expanded their efforts to include T.V. and radio recipe programs, the Heart Smart recipe program, an expanded display and demonstration program, as well as the ever-popular Pork Pro-Motor program.

RETAIL CAMPAIGNS

Manitoba Pork's local retail promotions were planned to enhance and expand the national program. In-store demos were held at ten Safeway stores in September to highlight the nationally distributed recipe card featuring pork strips.

Meat seminars with IGA, Federated Co-Op and Food Fair chains, presented up-to-date information on pork, as well as posters, recipe cards and stickers.

The "Myths About Pork" slide set was developed into a 'looped' video and requested by several retailers for in-store promotions.

FOOD SERVICE

The variety of food service promotions increases each year. The Victoria Inn in Brandon featured a "light" pork promotion in April with a barbecue giveaway; the Opimian Society in Brandon featured "Smoked Crown Roast of Pork with Wild Rice and Italian Sausage Stuffing" in June; and the Holiday Inn Downtown in Winnipeg highlighted a "Heart Smart" entree and a microwave giveaway in October.

The Chefs de Cuisine National Conference in Winnipeg featured pork as the main course at their final banquet in June, and Red River Community College was the site for the final cook-off for the Apprentice Chefs Scholarship Program, sponsored by Canada Pork.

The new national Food Service newsletter, Today's Pork Reporter, featured two Manitoba restaurants for their unique usage of pork: The Russell Inn for its Crown Roast presentations and the Vinh Thuy Vietnamese restaurant in Winnipeg, for its cultural use of pork in many of its specialties.

HEART SMART

Our "Heart Smart" program continues to grow, with a second booklet, "Heart Smart Recipes with Today's Pork" produced in early January. 20,000 copies for Manitoba and 10,000 for Nova Scotia were printed. As we were 'sold out' by October, an additional 15,000 were printed to meet the ever-increasing demand.

We continually receive requests for up to 500 copies by such important groups as The Cancer Society, hospitals, dieticians, and Agriculture Home Economists for use in their nutrition and cholesterol education programs.

TV AND RADIO

Monthly TV shows on CKY-TV, quarterly TV shows on CKND, and monthly radio tapes continue to provide an excellent vehicle for distributing recipes and information. A monthly subscription service is now offered for our new 4 color recipe sheets to relieve the congestion on our phone lines following the popular TV shows.

A new weekly Cable TV Series, "Great Tastes of Manitoba" has been produced by all commodity groups. Manitoba Pork will have five or six 1/2 hour prime time shows featuring grocery store segments, nutrition segments and three cooking segments in each show.

NEWSLETTERS AND PRESS RELEASES

14 different newsletters and press releases were sent out locally to over 600 dieticians, media, retail, food service, meat managers, foods and nutrition instructors and district home economists with up-to-date information on pork, and offering additional recipes and/or promotional materials.

DISPLAYS AND DEMONSTRATIONS

600 people played Pork Trivia at Ag EXPO in Morris; 2700 sampled Pork Steaks Teriyaki at the Brandon Winter Fair; 3000 received "Heart Smart" handouts at Polo Park and 2000 sampled "Brown Bag It" ideas at St. Vital. As well, Hog Days in Winnipeg, Christmas entertaining at the Forks, a nutrition display at SAG Teachers' Conference, Nurses' Conference and Manitoba Health Services Organization, and consumer talks on nutrition and low-fat cooking, provide excellent opportunities to promote pork to the general public and to health professionals.

MEAT MONTH

A "Meat Me For Lunch" promotion targeted food service establishments and encouraged them to include special "light" meat entrees on their menus. Support advertising through newsletters, radio tapes, PSA's, and TV shows emphasized that meat is a good choice for lunch and can be low in fat and calories to fit into today's healthy eating lifestyle.

RESEARCH

Research into the safety of value-added (stuffed etc.) and kitchen-ready pork products to avoid cross-contamination was initiated in Manitoba. Microbiological testing resulted in data that will allow correct procedures to be given to food handlers to ensure a safe product.

PORK PRO-MOTOR

Bert Neufeld, Pork Pro-Motor Manager, drove over 26,000 km in 1990 and attended 119 events, serving over 34,000 people who consumed more than 10,000 lbs. of pork loin and 500 lbs. of smokies — making for another very successful Pork Pro-Motor season.

MANITOBA PORK EST.
FINANCIAL STATEMENTS
DECEMBER 31, 1990

Ernst & Young

2700 Commodity Exchange Tower
360 Main Street
Winnipeg, Canada R3C 4G9
Tel: (204) 947-6519
Fax: (204) 956-0138

AUDITORS' REPORT

To the Members of
Manitoba Pork Est.:

We have audited the balance sheet of Manitoba Pork Est. as at December 31, 1990 and the statements of revenue and expenditure, reserve for working capital and an offset to fixed asset investment, market development, pork promotion and research revenue, expenses and surplus, unallocated retained revenue and cash flows for the year then ended. These financial statements are the responsibility of the board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the board as at December 31, 1990 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Ernst + Young

Winnipeg, Canada,
February 12, 1991.

Chartered Accountants.

MANITOBA PORK EST.
(Incorporated as a producer board under the laws of Manitoba)

BALANCE SHEET

DECEMBER 31, 1990

	1990	1989
A S S E T S		
Current:		
Cash	$ 629,028	$ 267,606
Marketable securities (note 2)	7,987,912	8,587,844
Accounts receivable	932,372	1,864,608
Prepaid expenses	41,289	77,494
Total current assets	9,590,601	10,797,552
Fixed assets (note 3)	2,484,932	2,273,095
	$12,075,533	$13,070,647
L I A B I L I T I E S		
Current:		
Producer payables and outstanding cheques	$ 4,819,339	$ 5,367,154
Accounts payable and accrued liabilities	1,293,131	2,184,516
Total current liabilities	6,112,470	7,551,670
Contingency and commitments (note 6)		
Members' equity:		
Reserve for working capital and an offset to fixed asset investment	2,684,932	2,473,095
Surplus to be used for market development, pork promotion and research	554,916	666,075
Unallocated retained revenue	2,723,215	2,379,807
	5,963,063	5,518,977
	$12,075,533	$13,070,647

On behalf of the Board:

Director

Director

(see accompanying notes)

MANITOBA PORK EST.

STATEMENT OF RESERVE FOR WORKING CAPITAL AND AN OFFSET TO FIXED ASSET INVESTMENT

YEAR ENDED DECEMBER 31, 1990

	1990	1989
Balance, beginning of year	$2,473,095	$1,990,922
Transfer from unallocated retained revenue	211,837	482,173
Balance, end of year	$2,684,932	$2,473,095

STATEMENT OF MARKET DEVELOPMENT, PORK PROMOTION AND RESEARCH REVENUE, EXPENSES AND SURPLUS

YEAR ENDED DECEMBER 31, 1990

	1990	1989
Revenue:		
Portion of fees allocated	$ 400,000	$ 400,000
Special promotion levy	455,983	305,254
Interest (note 6)	68,096	61,120
	924,079	766,374
Expenses:		
Live hog exports (note 6)	(38,557)	(108,021)
Market development	151,164	23,795
Industry association	114,182	71,697
Pork promotion - Manitoba (includes depreciation of $2,460; 1989 - $3,514)	152,512	177,580
Canadian Pork Council special trade action assessment	64,084	57,818
Research	134,112	104,913
Canada Pork assessment	457,741	331,566
	1,035,238	659,348
Excess (deficiency) of revenue over expenses	(111,159)	107,026
Surplus to be used for market development, pork promotion and research -		
Balance, beginning of year	666,075	559,049
Balance, end of year	$ 554,916	$ 666,075

STATEMENT OF UNALLOCATED RETAINED REVENUE

YEAR ENDED DECEMBER 31, 1990

	1990	1989
Balance, beginning of year	$2,379,807	$2,548,658
Excess of revenue over expenditure from operations for year	555,245	313,322
	2,935,052	2,861,980
Add transfer to reserve for working capital and an offset to fixed asset investment	(211,837)	(482,173)
Balance, end of year	$2,723,215	$2,379,807

(see accompanying notes)

MANITOBA PORK EST.

STATEMENT OF REVENUE AND EXPENDITURE

YEAR ENDED DECEMBER 31, 1990

	1990	1989
Revenue:		
Gross fees	$2,765,477	$2,343,158
Deduct -		
Portion applicable to market development, pork promotion and research	(400,000)	(400,000)
Special promotion levy	(455,983)	(305,254)
	1,909,494	1,637,904
Interest	969,473	837,334
Other	81,834	71,240
	2,960,801	2,546,478
Expenditure:		
Administrative and selling (schedule)	2,246,406	2,097,939
Depreciation	159,150	135,217
	2,405,556	2,233,156
Excess of revenue over expenditure from operations for year	$ 555,245	$ 313,322

(see accompanying notes)

MANITOBA PORK EST.

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 1990

	1990	1989
Cash provided by (used in) operating activities:		
Excess of revenue over expenditure from operations for year	$ 555,245	$ 313,322
Add charge to operations not requiring a current cash payment - Depreciation	161,610	138,731
Market development, pork promotion and research excess (deficiency) of revenue over expenses	(111,159)	107,026
Proceeds on sale of hogs	227,941,375	204,745,676
Distribution on settlements, including board fees	(227,941,375)	(204,745,676)
	605,696	559,079
Net changes in non-cash working capital balances related to operations (note 5)	77,056	476,698
Cash provided by operating activities	682,752	1,035,777
Cash provided by (used in) investment activities:		
Purchase of fixed assets	(381,717)	(620,904)
Disposal of fixed assets	8,270	
Cash used in investment activities	(373,447)	(620,904)
Increase in cash during the year	309,305	414,873
Cash position at beginning of year	3,488,296	3,073,423
Cash position at end of year	$ 3,797,601	$ 3,488,296
Cash position consists of the following:		
Cash	$ 629,028	$ 267,606
Add marketable securities	7,987,912	8,587,844
Deduct producer payables and outstanding cheques	(4,819,339)	(5,367,154)
	$ 3,797,601	$ 3,488,296

(see accompanying notes)

MANITOBA PORK EST.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1990

1. Significant accounting policies

(a) Nature of the board

The board was established to carry out the function of marketing hogs on behalf of the hog producers of Manitoba, including enhancing the market through market development, pork promotion and research. Accordingly, the financial statements have been prepared to reflect the operations and the activities in market development. The following is a description of how the revenue and expenses have been accounted for:

i) Revenues, expenditures and unallocated retained revenue

The board annually determines the amount of gross revenue from fees which is to be allocated for market development, pork promotion and research. The Statement of Revenue and Expenditure includes all revenues less the portion allocated to market development, pork promotion and research, and all expenses applicable to the day to day operations of the board. The excess of revenue over expenditure from operations is credited to the unallocated retained revenue.

ii) Market development, pork promotion and research

The board maintains a separate surplus account to be used for market development, pork promotion and research. The Statement of Market Development, Pork Promotion and Research Revenue, Expenses and Surplus reflects the revenue which has been allocated for this purpose; the expenses for market development, pork promotion and research including the net costs of certain market development costs of hog export; the excess of revenue over expenses; and the surplus at the end of the year.

iii) Reserve for working capital and an offset to fixed asset investment

The board maintains the reserve to indicate the amount of members' equity which has been invested in net fixed assets plus an amount required for ongoing working capital.

(b) Revenue recognition

Revenue from fee income is recognized at the time of settlement with producers for sales made on their behalf by the board.

(c) Fixed assets

Land, building, furniture and equipment are recorded at cost. Normal maintenance and repair expenditures are expensed as incurred.

Depreciation is provided on the basis and at the rates set out below:

Asset	Basis	Rates
Building	Straight line	2.5 - 25%
Furniture and equipment	Diminishing balance	20 - 30%

1. Significant accounting policies (continued)

(d) Marketable securities

Marketable securities are carried at cost which approximates market value.

Interest is accrued on the investments as it is earned.

2. Marketable securities

	1990	1989
Deposit receipts	$4,000,000	$5,500,000
Commercial paper	1,002,670	3,087,844
Treasury Bills	1,998,742	
Provincial Government bond	986,500	
	$7,987,912	$8,587,844

3. Fixed assets

	1990			1989
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Land	$ 432,145		$ 432,145	$ 432,145
Building	2,665,994	$ 832,269	1,833,725	1,677,702
Furniture and equipment	536,831	317,769	219,062	163,248
	$3,634,970	$1,150,038	$2,484,932	$2,273,095

4. Board members' remuneration and disbursements

	1990			1989
	Per Diem	Expense	Total	Total
District 1	$ 7,863	$ 5,611	$ 13,474	$ 15,405
District 2	5,173	3,191	8,364	8,219
District 3 (Chairman)	21,335	11,816	33,151	30,689
District 4	7,122	6,017	13,139	13,082
District 5 (Executive member)	8,369	4,606	12,975	9,998
District 6 (Vice-Chairman)	12,070	8,889	20,959	18,421
District 7	21,344	6,036	27,380	27,365
District 8	4,423	5,062	9,485	6,570
Miscellaneous charges		1,481	1,481	2,012
Gross remuneration and disbursements to board members	87,699	52,709	140,408	131,761
Less amount charged to market development				17,718
Amount charged to operations	$87,699	$52,709	$140,408	$114,043

4. Board members' remuneration and disbursements (continued)

The board consists of seven Directors and one Chairman. The Chairman's per diem is a combination of a $10,000 annual salary plus a per diem of $140 per day. Directors' per diem rates are based on $130 per day.

The Vice-Chairman receives an annual salary of $3,500 and the Executive Member receives an annual salary of $1,500 in addition to their per diem rates.

The Executive Committee is comprised of the Chairman, Vice-Chairman and one Director.

5. Net changes in non-cash working capital balances related to operations

	1990	1989
Increase (decrease) in accounts receivable	$ 932,236	$ (714,074)
Decrease (increase) in prepaid expenses	36,205	(70,994)
Increase (decrease) in accounts payable	(891,385)	1,261,766
Net changes in non-cash working capital balances related to operations	$ 77,056	$ 476,698

6. Contingency and commitments

a) Countervail duty on exports to the United States (U.S.)

i) Live hogs

Live hogs exported to the U.S. by the board are subject to an initial deposit rate duty which is subject to review under various trade review mechanisms. As at year end, the financial statements reflect an accrual or payment for all initial duties (as set from time to time) on live hog exports. However, since the final review has not been completed for exports for the period April 1, 1986 to December 31, 1990, duties on exports during this period may be subject to adjustment. The amount of adjustment, if any, cannot be reasonably estimated. These amounts will be recorded in the financial statements at the time they are finalized.

ii) Fresh, chilled and frozen pork

Effective September 13, 1989 the U.S. issued a countervailing duty order on fresh, chilled and frozen pork. The duty, which is currently set at an initial deposit rate of $.08 per kilogram is payable by the party exporting the pork to the U.S. This rate is subject to review and the final rate could be higher or lower. The Canadian government and Canadian pork industry are pursuing several actions which, if successful, will overturn the U.S. ruling or reduce its impact.

In an attempt to ensure that the market price for hogs is not adversely affected by the uncertainty of the duty, producers have agreed to assume the burden of the countervail duty over the initial deposit rate for the period September 13, 1989 to March 31, 1990. Accordingly, the board collected a levy of $2.25 per hog from October, 1989 to March, 1990. The proceeds of this levy less remittances to the Canadian Pork Council (totalling approximately $104,000 at December 31, 1990; 1989 - $785,000) are included in accounts payable and accrued liabilities.

b) Other

The board is responsible to direct interest earned on withholdings it collects on behalf of The National Tripartite Stabilization Plan towards research. During the year $68,096 (1989 - $61,120) was committed.

MANITOBA PORK EST.

SCHEDULE OF ADMINISTRATIVE AND SELLING EXPENDITURE

YEAR ENDED DECEMBER 31, 1990

	1990	1989
Awards	$ 5,143	$ 12,617
Bad debt expense (East West Packers)	27,615	
Board members' remuneration, travelling and miscellaneous expenses (note 4)	140,408	114,043
Claims and adjustments	15,275	21,405
Data processing	75,053	82,013
District and annual meetings	194,072	96,619
Employee benefits	95,345	89,256
Insurance	71,723	67,701
Light, heat and water	129,304	154,847
Maintenance and repairs	41,934	40,766
Memberships and subscriptions	7,097	6,900
Microfilming and xeroxing	8,732	8,018
Miscellaneous	18,055	18,822
Newsletter and hog journal	24,526	25,656
Office rental - Brandon	7,762	7,254
Office supplies and stationery	43,269	39,958
Postage	53,958	51,766
Professional fees	45,800	44,984
Provincial Health and Education Tax	19,036	21,533
Realty and business taxes	86,561	93,078
Salaries	902,801	867,710
Stockyard rentals and expenses	128,480	130,796
Telephone	79,776	77,811
Travel expenses	19,181	24,386
Truck wash	5,500	
Total administrative and selling expenditure	$2,246,406	$2,097,939

(see accompanying notes)